

# **CL&P and Yankee Gas Comments**

Appropriations, Energy and Human Services Committees Joint  
Forum on LIHEAP Heating Sources

March 23, 2012

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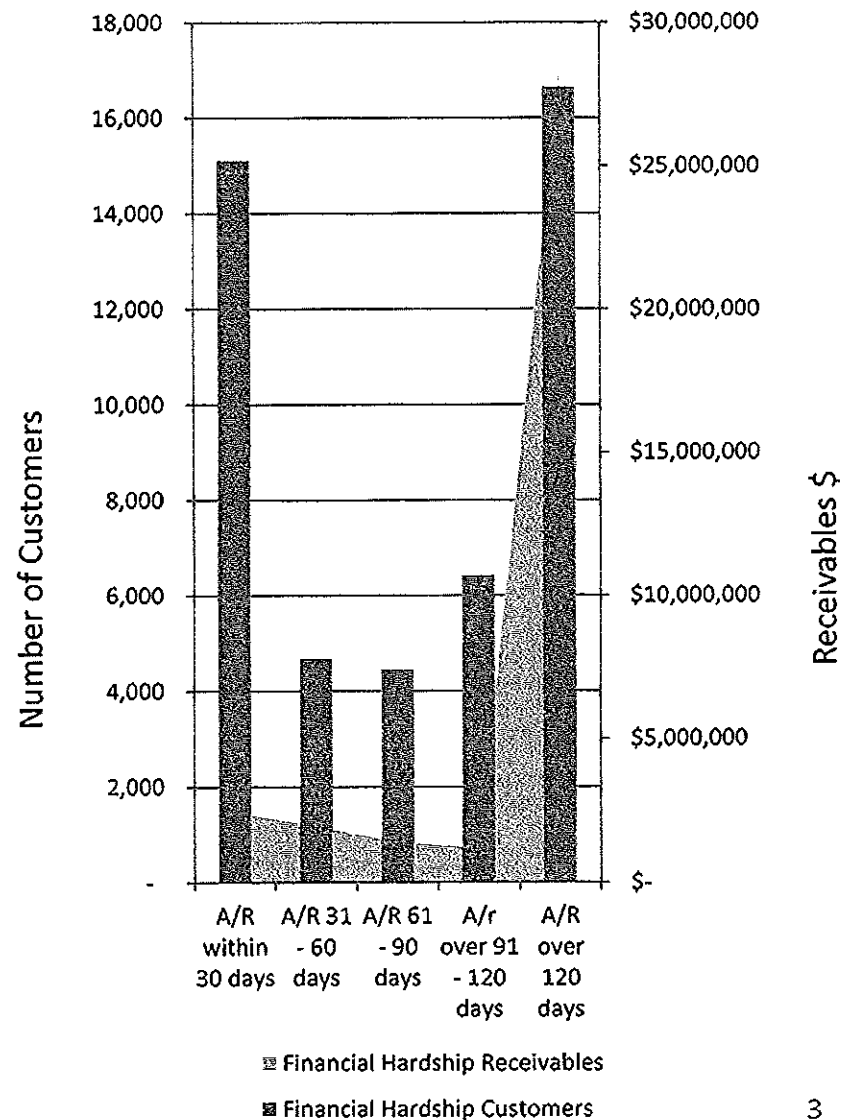
# CL&P and Yankee Gas Hardship Receivables

- One of the mildest winters contributed to decreased January 2012 accounts receivables
  - CL&P residential delinquent accounts are 12.5% lower than 2011 (\$55 million vs \$60 million)
  - Yankee Gas residential delinquent accounts are 31% lower than 2011 (\$9 million vs \$13 million)
- Despite this, there are still a significant number of customers who having difficulty paying their bills and are in danger of losing utility service.

	January 2011		January 2012	
	No of Accounts	Delinquent Balance (\$millions)	No of Accounts	Delinquent Balance (\$millions)
CL&P	19,985	\$ 21.0	24,000	\$ 26.5
% Increase			20%	26%
Yankee Gas	7,490	\$ 5.0	8,718	\$ 5.5
% Increase			16%	10%

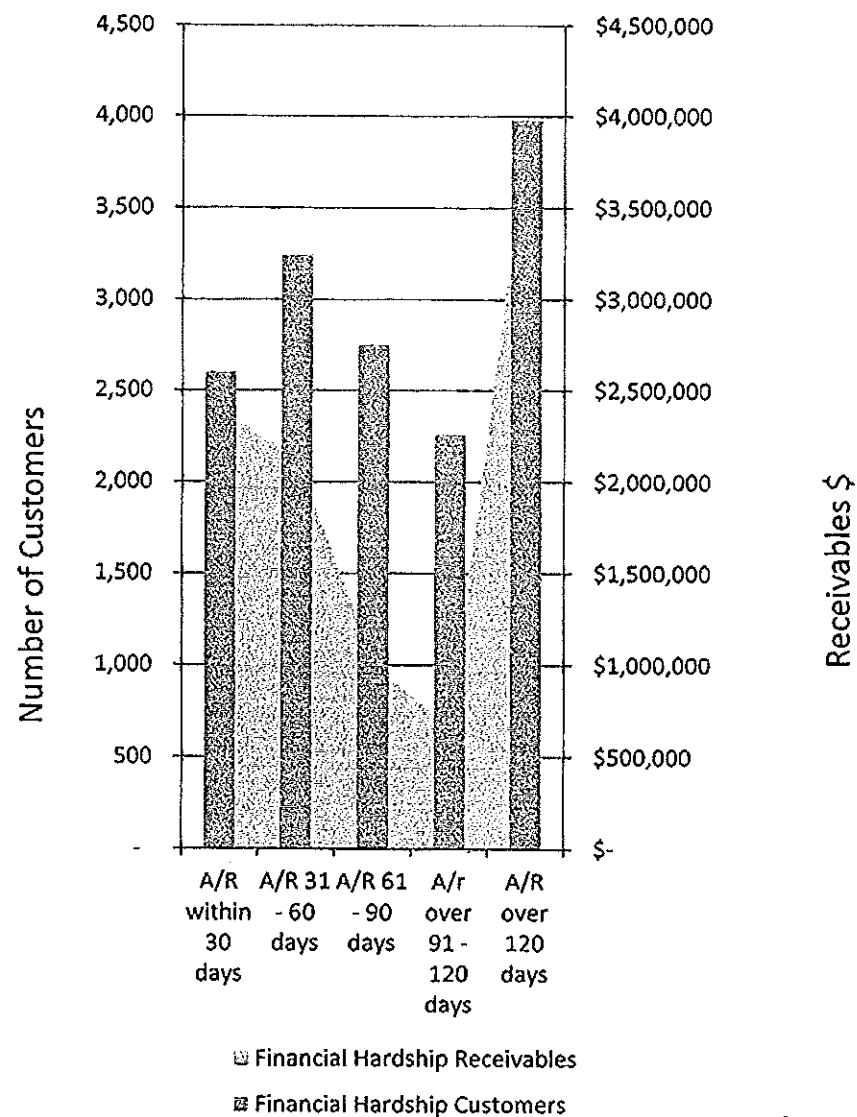
# CL&P Hardship Receivables March 8, 2012

- 47,312 CL&P customers are enrolled as financial hardship.
- 15,110 hardship customers (32%) are current. This accounts for 12% of the total hardship receivables.
- 16,646 hardship customers (36%) are delinquent more than 120 days. This accounts for 65% of the hardship receivables.
- Balance of customers are within 60 to 90 days delinquent.



# Yankee Gas Hardship Receivables March 8, 2012

- 14,832 Yankee customers qualify as hardship.
- 2,601 hardship customers (18%) are current. This accounts for 24% of the total hardship receivables.
- 3,976 hardship customers (24%) are delinquent more than 120 days. This accounts for 39% of the hardship receivables.
- Balance of customers are within 60 to 90 days delinquent.



## Energy Assistance Provides an Important Benefit to CL&P and Yankee Gas Customers

Fiscal Year	CT Eligibility	CL&P Customers	CL&P Customer Benefits	Yankee Gas Customers	Yankee Gas Customer Benefits
2006	60% SMI*		\$5,311,501		\$ 6,125,146
2007	60% SMI		\$6,197,004		\$ 6,336,167
2008	60% SMI	12,075	\$6,375,797	12,017	\$ 6,367,415
2009	60% SMI	14,978	\$15,233,370	15,090	\$ 15,456,744
2010	60% SMI	16,028	\$11,678,598	15,469	\$ 11,441,203
2011	60% SMI	17,260	\$12,522,000	16,380	\$12,155,000

\* State Median Income

## **Arrearage Management Programs Leverage LIHEAP to Provide Important Benefits to our Customers**

- Statute requires Matching Payment Program participants to qualify and apply for energy assistance:
  - In 2010 – 2011, CL&P's Matching Payment Program reduced customer receivables by \$5.4 million by matching participating customer payments.
  - In 2010 – 2011, Yankee Gas' Matching Payment Program reduced customer receivables by \$2.8 million by matching participating customer payments.
- Non-heating customers participating in CL&P's NUStart program received matching payments totaling \$5.8 million:
  - NUStart participants qualify by having applied for and being eligible to receive energy assistance funds, or providing other proof of income.
- A reduction in LIHEAP reduces the leveraging benefits to customers.

# Risks of Reducing LIHEAP Benefits to Customers

- Potential loss of Utility Service:
  - Presently 25,000 CL&P and 12,000 Yankee Gas hardship customers may receive disconnection notices if delinquent balances remain unpaid.
- Utilities are a necessity of life that promote:
  - Comfortable and sanitary surroundings.
  - Safe lighting, food storage and preparation.
- Loss of utilities:
  - Leads customers to heat homes or cook in an unsafe manner.
  - Contributes to increased evictions, family instability and poor school performance.

## In Conclusion

- No matter the heating or energy source, Connecticut's hardship customers rely on energy assistance programs to help them pay their energy bills.
  - Allocation of funds to constituents should be equitable and without regard to the fuel source.
- Without energy assistance customers would either do without or divert money from other necessities (food, medicine).
- Ability to leverage LIHEAP dollars in the Matching Payment Program and NUSmart is essential to help customers meet their payment obligations and establish good payment practices.

**We need you to support fair allocation of LIHEAP dollars to utility customers**